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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Inspection Report

Supervisor DRH

Minerals Regulatory Program
Date of Report: December 4, 2007

Mine Name: Rhea Rae
Operator Name: Black Gold Organic Fertilizer

Permit number: S0190064
Inspection Date: November 19,
2007
Time: 4:20-5:00 PM

Inspector(s): Paul Baker

Other Participants: Todd Andrus. Two other workers were at the site.

Mine Status: Active

Weather: Clear, 50s

Elements of Inspection

	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
10. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

This was a routine inspection at a new mine site.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

By letter dated November 16, 2007, the Division found the Notice of Intention to Commence Small Mining Operations complete and approved the reclamation surety for this mine. The surety amount is \$20,700.00.

9. Soils

There are various piles of earthen material at the site. Some is in embankments for the two ponds, and one pile, shown on the left side of Photo 1, I thought might be topsoil. Mr. Andrus told me, however, that this pile was material they were planning to process and that no soil was saved.

12. Other

I used a GPS unit to map the disturbed area, and it is 4.16 acres including associated roads. The NOI allows for 4.23 acres of disturbance.

Some of the facilities include two ponds (Photos 2 and 3), one lined and one not; water bladders (one shown in Photo 2; I believe there were three); an unconnected pipeline from the upper (lined) pond to the processing equipment (left center of Photo 7); crushing and screening equipment (Photos 2, 4, and 7); containers of various oil products (Photo 6); several barrels that the workers called fish eggs but which I believe to be a resin; and numerous other pieces of processing equipment some ready for use and some simply lying on the ground.

The workers told me the operator intended to extract gold on site using a "wet" process but that they had had difficulty handling the material. Most recently, they had simply been crushing, screening, and bagging the shale for shipment to Texas where further processing could be done. They were trying to work out some of the problems with this mechanical processing.

I found two places where oil had been spilled. These were not large areas; probably no more than a quart of oil was spilled at each place.

Conclusions and Recommendations:

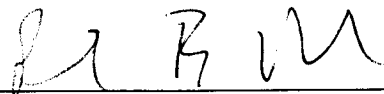
I had intended to issue the operator a notice of violation for not salvaging soil, but the operator explained that the upper layers of material were used to build the embankment for the lower pond. This material is still available for use in reclamation and, since the pond has not been used, it has not been contaminated.

The operator is considering various options for processing the mined material and may not use the pond at all. If the pond is to be used, the operator needs to find a way to protect the soil or to replace it with soil from another location. Before using the pond for processing operations, the operator will need to submit an amendment to the Notice of Intention showing either how the embankment material will be protected or how this will be replaced. At that point, the Division will need to examine whether the existing reclamation surety is adequate, especially if soil is borrowed from another area.

The container for the oil products appeared to be marginal for the number of drums and buckets that were in it. The operator should consider getting another container.

The oil spills need to be cleaned up.

Inspector's Signature



Date:

12/6/07

Directions to Site:

Take exit 227 from I-70 near the Colorado border and go to the north side of the freeway. Follow the old highway for 1.2 miles toward the north and east, turn right and go 1.9 miles to the site. The last few hundred yards is on a new road created for the mine.

PBB:pb

cc: Darrell Boepple, Operator

Will Stokes, SITLA

Attachments: GPS map and Photos

ATTACHMENT

Photographs

Rhea Rae Mine, S0190064, Black Gold Organic Fertilizer
Inspection Dated: November 19, 2007; Report Dated: December 4, 2007

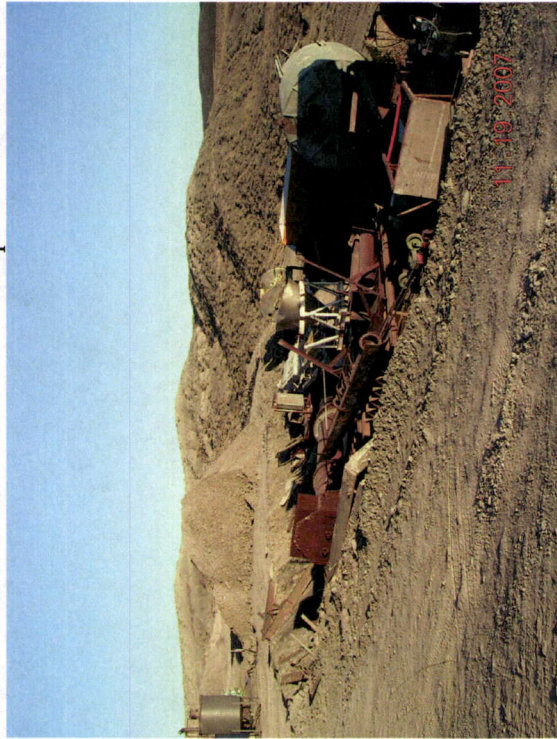


Photo 1. In the left center of this photo is a pile of material that was to be processed. I found no other material in what might have been a soil stockpile.



Photo 3. The upper, lined, pond.

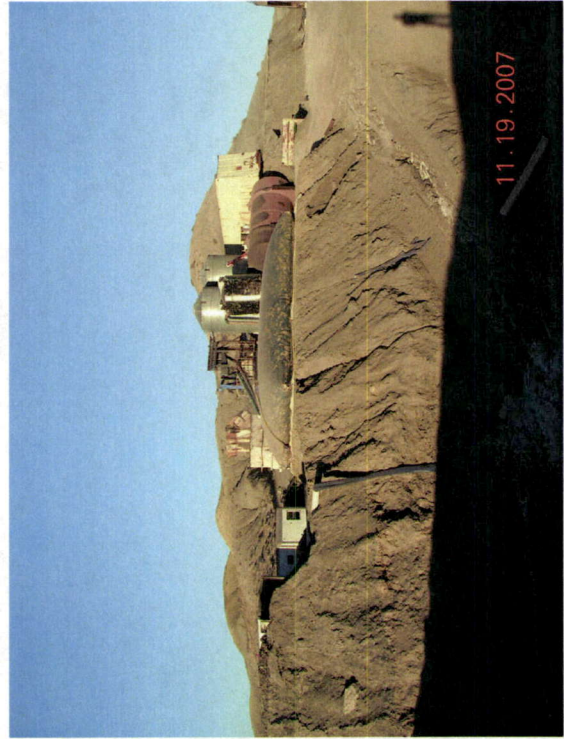


Photo 2. The lower pond and one of the water bladders.



Photo 4. This is the processing area.



Photo 5. An overview of part of the mine site.

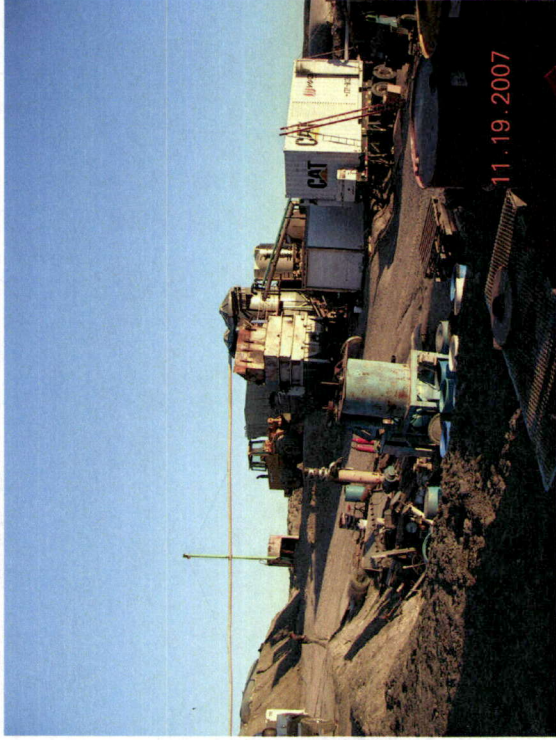


Photo 7. Another view of the processing area.



Photo 6. An oil containment area.

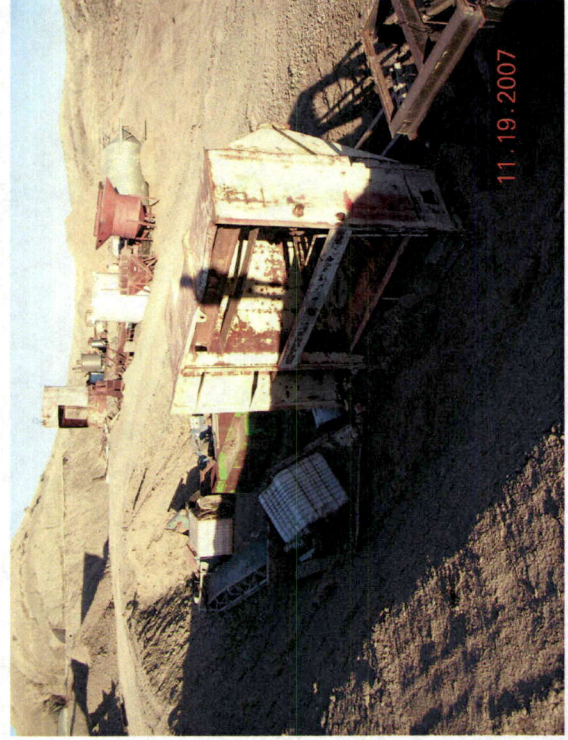


Photo 8. Some of the equipment that is not yet being used.

Mine Number: S190064

Mine Name: RHEA-RAE

Township 18 S Range 25 E Section 36

Meridian: SLBM

Inspection Date: 11/19/2007
Map Produced by DKS

Acres Disturbed	3.94
Acres Regraded	0
Acres Seeded	0
Road Acres Disturbed	0.22
Total Acres Disturbed	4.16
Acres Released	0
Acres Excluded	0
Acres PreExisting	0
Acres Prelaw	0

Legend
All items symbolized in legend may not be appear on map

County Boundary

Access

Mine

NonMine

Reclaimed

Other

Interstate

US Route

State Route

Primary Route

Secondary Route

Main Dirt Road

Unimproved Road

Interchange

Trail

Township or range line

Township or range line: location doubtful

Section line

Section line: location doubtful

Disturbed

Regraded

Seeded

Released

Excluded

PreExisting

Prelaw

Bond Area

SITLA Mineral Leases

BLM Salable Minerals

BLM Mining Notices

CommunityPt

SITLA Mineral Ownership

NAIP imagery date 2006

1:7,500 1 inch equals 625 feet
Verify Scale

Dept. of Natural Resources
Division of Oil, Gas, and Mining
Mineral Mines Program

Different data sources and input scales
may cause misalignment of data layers.
This product may not meet DGM
standards for accuracy and content.

NAD 1927 UTM Zone 12N